

**MINUTES OF THE JOINT EXECUTIVE APPROPRIATIONS
COMMITTEE MEETING
FEBRUARY 27, 2008, 5:00 P. M.
Room C445, State Capitol, State Capitol Complex**

Members Present: Sen. Lyle Hillyard, Committee Co-Chair
 Rep. Ron Bigelow, Committee Co-Chair
 Sen. Peter Knudson, Vice Chair
 President John Valentine
 Sen. Curtis Bramble
 Sen. Gene Davis
 Sen. Mike Dmitrich
 Sen. Dan Eastman
 Sen. Pat Jones
 Sen. Sheldon Killpack
 Sen. Brent Goodfellow
 Rep. Becky Lockhart, Vice Chair
 Speaker Greg Curtis
 Rep. Brad Dee
 Rep. Brad King
 Rep. David Litvack
 Rep. Carol Spackman Moss
 Rep. Phil Riesen
 Rep. Gordon Snow

Members Absent: Rep. David Clark

Staff Present: Jonathan Ball, Legislative Fiscal Analyst
 Steven Allred, Deputy Director
 Dr. Andrea Wilko
 Karen C. Allred, Secretary
 Joan Tiffany, Secretary

List of Others Present on File

Committee Co-Chair Hillyard called the meeting to order at 5:25 p.m.

1. Approval of Minutes

MOTION: Co-Chair Bigelow moved to approve the minutes of February 19, 2008.

The motion passed unanimously with Pres. Valentine, Sens. Eastman and Bramble absent for the vote.

2. Fees, Intent Language, and Budget Actions

Co-Chair Bigelow explained to the committee that the motions will be made from the blue sheets in the Executive Appropriations Committee Book, page 1-22.

MOTION: Rep. Litvack moved the following intent language for inclusion in the Utah Department of Corrections -- Programs and Operation line item for FY 2009: "The Legislature intends that if the Department of Corrections is able to reallocate resources internally to fund additional Adult Probation and Parole agents, for every two agents hired, the Legislature grants authority to purchase one vehicle with Department funds".

The motion passed unanimously with Sen. Bramble absent for the vote.

MOTION: Sen. Davis proposed the following intent language for inclusion in the Department of Health -- Medical Assistance line item for FY 2009: "The Legislature intends that: (1) the Division of Health Care Financing use up to \$91,900 General Funds and \$316,200 total from the appropriation provided by Item 107, Senate Bill 1, 2008 General Session for Medical Assistance to conduct a pilot program with one or more of its Medicaid managed care networks that will, for the 2009 fiscal year, include any ambulatory surgical center willing to accept the Medicaid reimbursement rate for ophthalmology services and otolaryngology services onto the Medicaid managed care network as a provider for ophthalmology and otolaryngology services only; (2) the department shall, and each Medicaid managed care network participating in the pilot program may, submit data to the Office of the Legislative Auditor General no later than the end of fiscal year 2009: (a) comparing the cost and quality of ophthalmology and otolaryngology services during the pilot program at general acute hospitals with the cost and quality of those services at ambulatory surgical centers participating in the pilot program; (b) identifying the impact of expanding the network of providers on the overall cost and quality of all services provided to enrollees within the Medicaid managed care network; and (c) identifying the impact, if any, that the pilot program had on: (i) premium costs for the Medicaid program; and (ii) administrative costs for the Medicaid managed care network".

Pres. Valentine commented that he submitted this program and supports it.

The motion passed unanimously with Sen. Bramble absent for the vote.

MOTION: Sen. Killpack proposed the following intent language for inclusion in the Department of Technology Service (DTS) -- Chief Information Officer line item for FY 2008: "Under section 63-38-8 of the Utah Code the Legislature intends that funds provided

in Item 54 of Chapter 1 and Item 50 of Chapter 371, Laws of Utah 2007 for the Department of Technology Services -- Chief Information Officer shall not lapse at the close of fiscal year 2008. Expenditure of these funds is limited to DP Current Expenses for optimization initiatives -- \$50,000".

The motion passed unanimously with Sen. Bramble absent for the vote.

MOTION: Sen. Killpack proposed the following intent language for inclusion in the Department of Technology Services (DTS) -- Integrated Technology (AGRC) line item for FY 2008: "Under Section 63-38-8 of the Utah Code the Legislature intends that funds provided in Item 55 of Chapter 1 and Item 51 of Chapter 371, Laws of Utah 2007 for the Department of Technology Services -- Integrated Technology Division shall not lapse at the close of fiscal year 2008. Expenditure of these funds is limited to: continuity of operations for the State Geographic Information Database -- \$125,000; and Automated Geographic Reference Center projects -- \$282,500".

The motion passed unanimously, with Sen. Bramble absent for the vote.

MOTION: Rep. Snow (for Rep. Clark) proposed the following intent language for inclusion in the Department of Natural Resources, Water Rights line item for FY 2009: "The Legislature intends that the State Engineer may not use funds provided by line item 193 of Senate Bill 1, 2008 General Session, to change or implement plans for water use in the Beryl-Enterprise area. The Legislature further intends that the State Engineer shall report to the Executive Appropriations Committee all actions to date in the Beryl-Enterprise area".

The motion passed unanimously with Sen. Bramble absent for the vote.

MOTION: Rep. Dee proposed the following intent language for inclusion in the Department of Public Safety -- Public Safety Programs and Operations line item for FY 2009: "The Legislature intends that \$100,000 of the ongoing General Fund appropriation to the Department of Public Safety Communications Bureau be used for state costs at the Weber Consolidated Dispatch Center".

The motion passed unanimously with Sen. Bramble absent for the vote.

MOTION: Sen. Knudson proposed the following intent language for inclusion in the Housing and community Development Line Item for FY 2008: "Under Section 63-38-8.1 of the Utah Code, the Legislature intends that any remaining amount of the \$685,000 provided by the Laws of Utah 2007 Chapter 383, Appropriation Adjustments, Item 76, for

the Division of Housing and Community Development Line Item not lapse at the close of Fiscal Year 2008. The use of any non-lapsing funds is limited to the following: Commission on Volunteers Match \$65,000; Weatherization \$250,000; Ogden Valley Pathways \$20,000; Shakespearean Festival Land \$350,000; for a Total of \$685,000".

Co-Chair Hillyard questioned staff if there was \$685,000 in that account. Jonathan Ball responded that there is \$685,000.

Speaker Curtis questioned what account that was in. Sen. Knudson responded that it was in the Housing and Community Development line item in the budget of FY 2007.

Dr. Andrea Wilko responded that those are all Legislative list items from last year. They are contracts that overlap two years and so the funding is there and won't be issued until FY 2009.

Speaker Curtis questioned if those funds are being moved forward from last year. Dr. Wilko responded yes, that is correct.

MOTION: Sen. Knudson proposed the following intent language for inclusion in the State History Line Item for FY 2008: "Under Section 63-38-8.1 of the Utah Code, the Legislature intends that any remaining amount of the \$100,000 provided by the Laws of Utah 2007 Chapter 383, Appropriation Adjustments, Item y762, for the Division of State History Line Item not lapse at the close of Fiscal Year 2008. The use of any non-lapsing funds is limited to the following: Repatriation - \$100,000".

Co-Chair Bigelow questioned what is Repatriation. Sen. Knudson responded that it was dealing with human remains. This is an ongoing State general fund appropriation that deals with Native American ownership of an annual average of 15 sets of human remains discovered on private lands, non-state and non-federal lands. As the number of discoveries varies from year to year, and because this is the start up year of the program and funds may not be fully expended by the end of FY 2008.

The motion passed unanimously with Sen. Bramble absent for the vote.

MOTION: Pres. Valentine proposed the following intent language for inclusion in the Public Lands Office -- Public Lands Coordination Program for FY 2008 and FY 2009: "Under terms of Section 663-38-.18 of the Utah Code the Legislature intends that up to \$2,000,000 appropriated to the Public Lands Policy Coordination Office, provided by Item 194, Chapter 1, Laws of Utah 2007 not lapse at the close of fiscal year 2008. The use of non-lapsing funds is limited to sage grouse studies".

"Under terms of Section 63-38-8 of the Utah Code the Legislature intends that up to \$2,000,000 appropriated to the Public Lands Policy Coordination Office, provided by Item 201, Senate Bill 1, 2008 General Session, not lapse at the close of fiscal year 2009. The use of non-lapsing funds is limited to sage grouse studies".

The motion passed unanimously with Sen. Bramble absent for the vote.

Pres. Valentine added that this is in addition to \$2,000,000 that is later in the budget that the committee appropriated.

MOTION: Co-Chair Bigelow proposed the following intent language for inclusion in the Department of Health -- Medical Assistance line item for FY 2009: "The Legislature intends that the Department of Health pay for Medicaid adult vision services out of the existing Medical Assistance budget".

The motion passed unanimously with Sen. Bramble absent for the vote.

MOTION: Co-Chair Bigelow (for Co-Chair Hillyard) proposed the following intent language for the Department of Human Services -- Services for People with Disabilities line item for FY 2009: "The Legislature intends that no more than 20 percent of the appropriation for disabilities respite care be used for fiscal intermediaries, background checks and other oversight expenses; and all costs associated with respite care services be expended from this appropriation. The Legislature further intends that the Division of Services for People with Disabilities report outcomes of this appropriation to the Health and Human Services Interim committee and the Health and Human Services Appropriations Subcommittee".

The motion passed unanimously with Sen. Bramble absent for the vote.

MOTION: Co-Chair Bigelow proposed to delete the following intent statements previously authorized for the Executive Offices and Criminal Justice Subcommittee for FY 2009. These intent statements relate to building block requests that are not funded on the purple sheets. On page 4-16, item number 9, and on page 4-18, item number 23.

The motion passed unanimously with Sen. Bramble absent for the vote.

Co-Chair Bigelow opted not to make a motion on page 13 of the blue sheet, because it is new language that committee has not seen. It will be saved for a later date.

MOTION: Co-Chair Bigelow proposed to appropriate \$2,000,000 one-time from the Medicaid Restricted Account to the Department of Health in FY 2009 to fund Medicaid adult dental benefits only for those categories of individuals who received dental services in FY 2008.

The motion passed unanimously with Sen. Bramble absent for the vote.

Co-Chair Hillyard mentioned that he hopes the committee appreciates that they had intent language before the meeting so that they could read it. There has been some intent language come just before the meeting that will be read at a later meeting, so that the information can be read by the committee before the meeting.

MOTION: Pres. Valentine proposed to reduce the FY 2009 General Fund 1-Time appropriations to the following higher education institutions by the indicated amounts and replace them with a like amount from non-lapsing balances: General Fund, one-time (in parentheses), and Non-lapsing: University of Utah (310,200), 310,200; Utah State University (265,100), 265,100; Weber State University (65,700), 65,700; Southern Utah University (50,300), 50,300; Snow College (11,600), 11,600; Dixie State College (76,400), 76,400; College of Eastern Utah (3,000), 3,000; Utah Valley State College (127,000), 127,000; Salt Lake Community College (84,300), 84,300; State Board of Regents (6,400), 6,400. President Valentine proposes to approve a reallocation of the FY 2009 General Fund 1-Time amounts shown above to the State Board of Regents for the Utah Centennial Opportunity Program for Education (UCOPE).

The motion passed unanimously.

MOTION: Co-Chair Bigelow proposed the following changes in the Capital Budget for FY 2009: Capital Development \$5,000,000 General Fund, Land Banking (\$5,000,000) General Fund.

Co-Chair Bigelow explained that the purpose of this motion is that these funds are used for buildings and in the committee some of the funds were transferred, and need to be moved back in order to keep things balanced. This is taking funds from Land Banking and giving back to Capital Development to fund the buildings that will be authorized shortly.

Speaker Curtis questioned if the committee recommended \$5,000,000 for Land Banking in their committee prioritization. Rep. Bigelow responded that the motion was made in the committee and transferred in committee. When we adopted their language we actually transferred the \$5,000,000.

Speaker Curtis questioned if any one has run this past the committee. Co-Chair Bigelow responded that he did not.

Co-Chair Hillyard commented that if he remembers correctly, these items were on the priority list.

The motion passed unanimously.

MOTION: Co-Chair Bigelow proposed the following change in the budgets of the Departments of Health and the Courts. This would remove funding, on a one-time basis, for O&M on state-funded buildings during the portion of FY 2009 that the buildings will be under construction. Health -- Epidemiology and Lab Services (\$277,400) General Fund One-time, Courts -- Contracts and Leases (\$342,100) General Fund One-Time.

The motion passed unanimously.

MOTION: Co-Chair Bigelow (for Co-Chair Hillyard) proposed to adopt the fees recommendations of the Joint Appropriations Subcommittee for Health & Human Services in FY 2009 as shown on the following two (2) pages for inclusion in the New Fiscal Years Supplemental Appropriations Act (House Bill 2). Utah Department of Health Baby Watch Early Intervention Program 2008 Sliding Fee Schedule and 2008 Sliding Fee Schedule and CHIP Monthly Income Ranges (pages 19 and 20, on the blue pages of the Executive Appropriations Committee Book).

The motion passed unanimously.

MOTION: Co-Chair Bigelow proposed to approve funding for rate impacts associated with statewide internal service funds, to be spread among state agencies and institutions, in the amount of \$2,195,000 from the General and Education Funds.

The motion passed unanimously.

Co-Chair Bigelow explained that the next motion will be done in two motions (for page 22). This is a motion that was a reallocation of what was done by the committee.

MOTION: Co-Chair Bigelow proposed the following changes to the Economic Development and Revenue Appropriations Subcommittee allocations for FY 2009: Arts Grants; Emergency Food Network; Community Assistance for Antelope Island Balloon Stampede, Hill Air Force Base Show and Earned Income Tax Credit Assistance; and Museum Services; with a Total of (\$417,000).

Co-Chair Hillyard questioned whether the column on the far left was the subcommittees proposal and the reallocation is the middle column? Co-Chair Bigelow answered that they are being moved to the items on the far left hand column.

Co-Chair Hillyard clarified, for example, the first line, Humanities Council there would be a \$35,000 withdraw and on the bottom has been reallocated to the \$417,000. Co-Chair Bigelow responded that Co-Chair Hillyard is correct and he misspoke.

Speaker Curtis questioned if he was replacing both parts, or just the top. Co-Chair Bigelow responded that he misspoke and it needs to be one motion.

AMENDED MOTION: Co-Chair Bigelow proposed the following changes to the Economic Development and Revenue Appropriations Subcommittee allocations for FY 2009: reallocate from Arts Grants, Emergency Food Network, Community Assistance and Museum Services, to: History Collections, Community Assistance (Earned Income Tax Credit Assistance), Museum Services and Utah Sports Authority as shown on page 22 of the Executive Appropriations Book.

SUBSTITUTE MOTION: Speaker Curtis moved to reduce the \$200,000 for Utah Sports Authority to \$150,000; and put \$10,000 into Museum Services (Museum of History and Archives -- South Davis) and make it \$100,000; and add \$40,000 to the West Jordan Sugar Factory (an additional item added to the bottom).

The motion passed with Co-Chairs Hillyard and Bigelow, Sens. Bramble, Eastman, Killpack, Davis, Dmitrich, Goodfellow, Jones and Knudson, Pres. Valentine, Speaker Curtis, and Reps. Clark, Snow, Dee and Lockhart voting in favor; and Reps. Riesen, King, Moss and Litvack voting against.

Speaker Curtis explained that the subcommittee moved \$417,000 from various sources and reallocated them to other items. That created consternation with some of the members and in trying to have everyone be a winner, he has helped them reallocate these monies.

Pres. Valentine questioned a clarification that the net effect would be: \$70,000 for History Collections, \$57,000 for Community Assistance, \$100,000 Museum Services, \$150,000 for Utah Sports Authority and \$40,000 for West Jordan Sugar Factory. He commented that it was a great motion.

Sen. Bramble questioned whether the \$20,000 taken from the Antelope Island Balloon Stampede was all that was put in to that this year.

Dr. Wilko answered yes that it was.

Sen. Bramble clarified that the funding for the Antelope Island Balloon Stampede was being removed. Co-Chair Hillyard answered yes, that was accurate.

Speaker Curtis asked Dr. Wilko if this was the same \$417,000 that the subcommittee cobbled together before they started doing their mini executive appropriations committee meeting.

Speaker Curtis explained that the subcommittee cobbled this together and sat down amongst themselves and didn't strike an extremely equitable balance, and created some consternation and now they are just redistributing.

Sen. Bramble mentioned that he echos Pres. Valentines comment that it is a great motion.

A vote was retaken and the results were the same as above.

MOTION: Co-Chair Bigelow moved to authorize the appropriation of additional funds for the items listed on the purple sheets entitled "Executive Appropriations Committee – Approved Ongoing Budget Changes" and "Executive Appropriations Committee – Approved One-time Budget Changes" for the 2008 General Session, and dated today, February 27, 2008.

Co-Chair Bigelow noted that there are seven pages. The committee should have received a 7th purple page which are the buildings. The buildings are included in the motion.

The motion passed unanimously.

MOTION: Co-Chair Bigelow moved to approve the following one-time General Fund revenue sources for use in fiscal years 2008 or 2009: Industrial Assistance Fund set-aside - \$1,513,000; Tourism Marketing Performance Fund revenue estimate - \$9,000,000.

Co-Chair Hillyard questioned if Co-Chair Bigelow was referring to a particular page. Co-Chair Bigelow responded that he was not.

Co-Chair Bigelow explained that this committee adopted estimates based upon various sources of revenue. They have found that these two funds were not included, and in order to get the funds balanced, they need to be recognized not only as an expense, but also as a revenue source. On the various sheets that were handed out, these were listed as both a plus and a minus. This is technically making it legal to use the funds in these two

accounts.

The motion passed unanimously.

MOTION: Co-Chair Bigelow moved to authorize legislative staff to prepare “State Agency and Higher Education Compensation Amendments” (H.B. 4) to reflect a 1 step merit increase and 2.5% COLA for state employees, a similar percentage increase for higher education employees, a 3% increase in certain contract service provider costs, and changes due to changes in the Workers’ Compensation rate and Judges Retirement System rates.

Speaker Curtis questioned that the 1 step merit increase and the 2.5% COLA which is approximately 5%, and then you said a similar percentage for higher education, did you mean a 5% increase there also. Co-Chair Bigelow answered that he did not, and referred to staff to give that explanation.

Jonathan Ball responded that for state agency employees it is 5% COLA, and for higher education it is either a 5% increase, or a 3% COLA and a 10% increase in health benefits. Since the Legislature doesn't dictate the health benefit plans for higher education, those institutions will determine how to spread this funding increase, whether it will go to cover health cost increases or whether it will go to cover compensation increases.

Co-Chair Hillyard explained that the way he understands it covers salary plus a consideration for health insurance on both sides equally.

Sen. Goodfellow questioned how do we pay for health increases for state employees?

Speaker Curtis has a question to the motion before us.

MOTION WITHDRAWN: Co-Chair Bigelow withdrew his motion.

Co-Chair Hillyard explained that there would be further discussion on this before we have our next Executive Appropriation Meeting.

MOTION: Co-Chair Bigelow moved to authorize legislative staff to prepare “Minimum School Program Budget Amendments” (S.B. 2) to include a teachers’ salary increase of \$1,700 per teacher and a 2.5% increase in the value of the Weighted Pupil Unit.

The motion passed unanimously.

MOTION: Co-Chair Bigelow moved to authorize legislative staff to prepare the "Current Fiscal Year Supplemental Appropriations Act" (S.B. 3), the "New Fiscal Year Supplemental Appropriations Act" (H.B. 2), based upon actions of the Executive Appropriations Committee to date.

The motion passed unanimously.

MOTION: Co-Chair Bigelow moved to authorize Staff, in consultation with the Co-Chairs of the Executive Appropriations Committee and bill sponsors, to hereby authorized to make any technical and non-substantive corrections as necessary. In the preparation of the various appropriations bills, the Legislative Fiscal Analyst is authorized to make adjustments between funding sources and fiscal years in order to balance the overall budget.

Co-Chair Bigelow explained that this is a standard motion done each year to make sure that, as long as there is nothing significant, they can put the budget together without having to reconvene the committee. There will be no changes in line items or amounts, other than technical or insignificant adjustments.

The motion passed unanimously.

Sen. Jones questioned what the total increase for teacher is, with the 2.5% and salary increase of \$1,700. Co-Chair Hillyard asked if she wanted a dollar amount. He clarified that the question is what would that be in equivalent to a Weighted Pupil Unit (WPU) increase. He answered approximately 5%.

MOTION: Co-Chair Bigelow moved to authorize legislative staff to prepare "State Agency and Higher Education Compensation Amendments" (H.B. 4) to reflect a 1 step merit increase and 2.5% COLA for state employees, a 3% COLA increase for higher education employees, plus higher education medical cost increases, a 3% increase in certain contract service provider costs, and changes due to changes in the Workers' Compensation rate and Judges Retirement System rates.

Co-Chair Hillyard asked Speaker Curtis if that satisfies his question. He responded it did.

Sen. Goodfellow questioned, that the motion mentioned that the 3% in higher education, and then the health insurance, but for state employees, health insurance was not mentioned. Where do we pay for health insurance?

Speaker Curtis responded that they met with representatives from the public employees

association and asked them if they would be willing, if they left the funding for health insurance, between the three plans offered, Advantage, Summit, and Preferred Plans if they were left at the same level as funded this year, and if Preferred were funded similar to Advantage and Summit, would they take the savings and put it into an additional 2% salary. So the health insurance will be funded at the same rate as last year, and additional monies will be rolled into an additional 2% COLA for the employees.

The motion passed unanimously.

Co-Chair Hillyard announced that the final Executive Appropriations meeting possibly Tuesday, but the committee will receive notice. If there are any intent language that you want to get to us, you may. There will be other things to fine tune to get the budget working towards the end.

MOTION: Co-Chair Bigelow moved to adjourn.

The motion passed unanimously.

The meeting was adjourned at 6:06 p.m.

Minutes reported by Karen C. Allred, Committee Secretary.

Sen. Lyle W. Hillyard, Co-Chair

Rep. Ron Bigelow, Co-Chair

